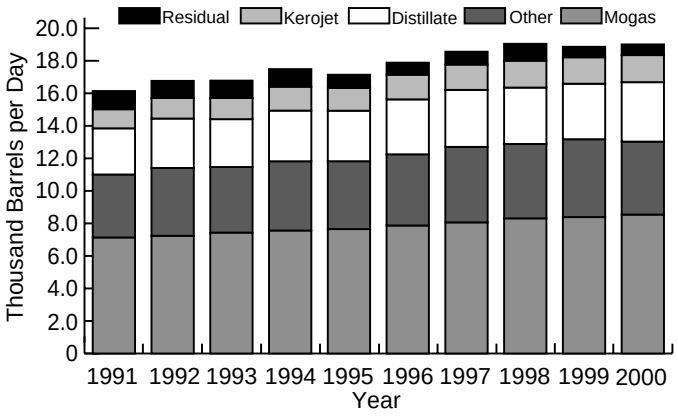
Highlights

Total demand for refined petroleum products, measured as product supplied, set a **record high for April**[1] at an average of 19.0 million barrels per day (Table H1). The nation's rapidly expanding economy was again impressive, as the unemployment rate fell to 3.9 percent, a 30 year low, and the economies growth rate of over 5.0 percent per year, higher than policymakers believe to be sustainable.[2] Across the U.S., temperatures, on average, were normal for the month although considerably cooler compared to this time last year.[3]

Figure H1. Total Demand, 1991-Current, Comparison in April for Petroleum Products



Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

April 2000 highlights include:

- **Demand** and **production** of finished motor gasoline set **record highs for the month** at 8.5 million barrels per day and 8.3 million barrels per day, respectively. **Stocks** of finished motor gasoline ended the month totaling 156.1 million barrels, the lowest month-end total for April since 1997.

- **April record highs** were also set for distillate fuel oil **demand** and **production** at 3.7 million barrels per day and 3.6 million barrels per day respectively. **Imports** of distillate fuel oil were in the upper range for the month at 228 thousand barrels per day. Total **stocks** of distillate fuel oil ended the month at 96.1 million barrels, **down 29.2 million barrels compared to this time last year**.

- **Demand** for residual fuel oil averaged 657 thousand barrels per day, slightly above last year's very low average for the month. **Imports** of residual fuel oil averaged only 167 thousand barrels per day. **Stocks** ended the month totaling 35.1 million barrels, the lowest level to end the month since 1996.

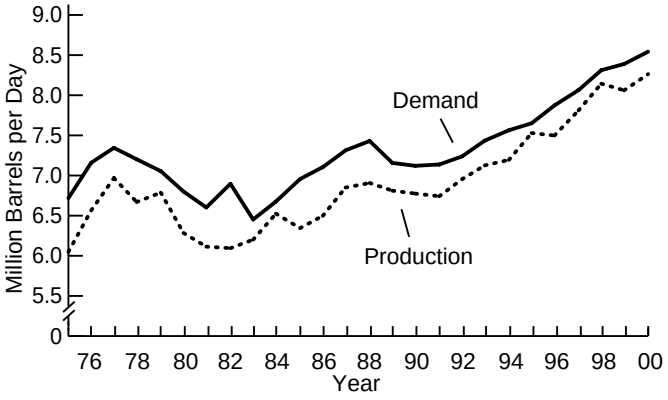
- **Demand** for kerosene-type jet fuel set a **record high for April** at 1.7 million barrels per day. Kerosene-type jet fuel **production** was only 40 thousand barrels per day from the record high for the month at an average of 1.6 million barrels per day.

- Propane **inventories** increased a modest 2.1 million barrels in April, ending the month at 24.8 million barrels. This is the lowest total for this time of year in over 27 years.

- Crude oil **production** averaged only 5.8 million barrels per day, the **lowest average for the month in 50 years**. Alaskan field production averaged 997 thousand barrels per day, **down 5.6 percent compared to a year ago**. Crude oil **imports** set a **record high for the month** at 9.2 million barrels per day. Crude oil **stocks**, excluding the Strategic Petroleum Reserve (SPR), ended the month at 306.0 million barrels.

- **Inputs** of crude oil at refineries were at a **record pace for April** averaging 15.1 million barrels per day.

Figure H2. Finished Motor Gasoline, Year-to-Year April Comparisons by PAD District, 1975-2000



Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Motor Gasoline

The frenzy over sport utility vehicles (SUVs) and light trucks looks to set records this year, as some analysts have forecast truck sales to account for over half the light vehicles sold in the U.S. in 2000.[4] This shift in consumer preference is directly related to the decline in the average fuel economy of the nation's fleet of light-duty vehicles.[5] If these analysts forecasts are correct and consumers are bent on driving larger, less fuel efficient vehicles, demand for finished motor gasoline should continue it's upward trend. **Demand** for finished motor gasoline set a **record high for**

[1]April 2000 data are monthly-from-weekly estimates based on the Energy Information Administration's Weekly Petroleum Supply Reporting System.

[2]"Fed Ponders Interest Rates Amid Tame Inflation", *Reuters*, May 16, 2000, accessible via the Internet at http://dailynews.yahoo.com/.

[3]"Cooling Degree Day Data Monthly Summary, Monthly Data for April 2000", *National Oceanic and Atmospheric Administration*, accessible via the Internet at http://www.cpc.ncep.noaa.gov/.

[4]"Ford: SUVs Short of Environment Goals", *Reuters*, May 11, 2000, accessible via the Internet at http://dailynews.yahoo.com/.

[5]"Light-Duty Automotive Technology and Fuel Economy Trends Through 1999", *Office of Mobile Sources, United States Environmental Protection Agency*, September 1999, accessible via the Internet at http://www.epa.gov/oms/mpg.htm.

Table H1. Petroleum Supply Summary

(Million Barrels per Day, Except Where Noted)

Category	2000			1999	January - April	
	Estimated April	March	Difference[a]	April	2000	1999
Products Supplied	19.0	19.1	-0.1	18.9	19.0	19.1
Finished Motor Gasoline	8.5	8.2	0.3	8.4	8.1	8.0
Distillate Fuel Oil	3.7	3.7	(s)	3.4	3.7	3.6
Residual Fuel Oil	0.7	0.6	(s)	0.6	0.7	0.8
Jet Fuel	1.7	1.7	(s)	1.6	1.6	1.7
Other Petroleum Products[b]	4.5	4.9	-0.4	4.8	4.8	4.9
Crude Oil Inputs	15.1	14.6	0.5	15.0	14.4	14.6
Operating Utilization Rate (%)	93.0	91.7	1.3	95.0	89.7	92.9
Imports	11.1	10.8	0.4	11.2	10.5	10.6
Crude Oil	9.2	8.7	0.5	9.1	8.4	8.6
Strategic Petroleum Reserve	0.0	0.0	0.0	0.0	(s)	0.0
Other	9.2	8.7	0.5	9.1	8.4	8.6
Products	1.9	2.1	-0.2	2.1	2.1	1.9
Finished Motor Gasoline	0.4	0.4	(s)	0.4	0.4	0.4
Distillate Fuel Oil	0.2	0.2	(s)	0.2	0.3	0.2
Residual Fuel Oil	0.2	0.2	(s)	0.2	0.2	0.2
Jet Fuel	0.1	0.1	(s)	0.1	0.1	0.1
Other Petroleum Products[c]	1.1	1.2	-0.1	1.2	1.2	1.0
Exports	1.0	1.2	-0.2	1.2	1.0	0.9
Crude Oil	0.1	0.1	(s)	0.3	0.1	0.2
Products	0.9	1.0	-0.1	0.9	0.9	0.7
Total Net Imports	10.2	9.6	0.6	10.0	9.5	9.7
Stock Change[d]	0.8	0.2	0.6	0.2	0.1	-0.3
Crude Oil	0.4	0.3	0.1	-0.2	0.2	0.1
Products	0.4	(s)	0.5	0.4	-0.1	-0.3
Total Stocks (million barrels)	1,494	1,478	16	1,615	—	—
Crude Oil	875	866	9	902	—	—
Strategic Petroleum Reserve[e]	569	569	0	572	—	—
Other	306	297	9	330	—	—
Products	619	611	7	713	—	—
Finished Motor Gasoline	156	157	-1	169	—	—
Distillate Fuel Oil	96	96	(s)	125	—	—
Residual Fuel Oil	35	36	-1	41	—	—
Jet Fuel	42	40	2	44	—	—
Other Petroleum Products[c]	289	282	7	334	—	—

[a] Difference is equal to volume for current month minus volume for previous month.

[b] Includes crude oil product supplied, natural gas liquids, liquefied refinery gases (LRG's), other liquids, and all finished petroleum products except finished motor gasoline, distillate fuel oil, residual fuel oil, and jet fuel.

[c] Includes natural gas liquids, liquefied refinery gases (LRG's), other liquids, and all finished petroleum products except finished motor gasoline, jet fuel, distillate fuel oil, and residual fuel oil.

[d] A negative number indicates a decrease in stocks and a positive number indicates an increase.

[e] Crude oil stocks in the Strategic Petroleum Reserve include non-U.S. stocks held under foreign or commercial storage agreements.

(s) = Less than 0.05 million barrels per day, or less than 0.05 percent, or less than 0.5 million barrels.

Note: Totals may not equal sum of components due to independent rounding.

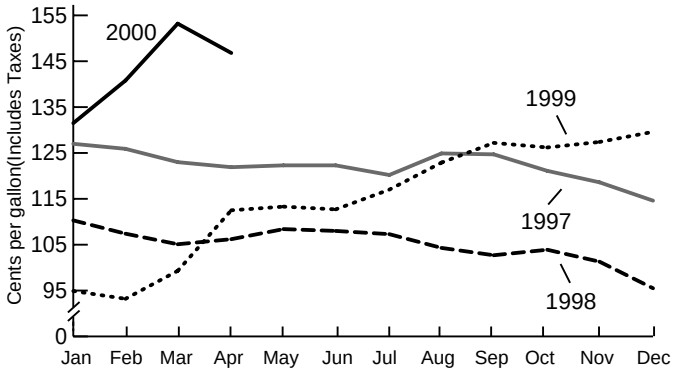
Source: Energy Information Administration (EIA), 1998,*Petroleum Supply Annual*, Volume 2; appropriate issues of the *Petroleum Supply Monthly* and the *Weekly Petroleum Status Report*.

Data for the current month are preliminary estimates, based on weekly submissions. For an explanation of estimation methodology and accuracy, see Appendix A of *Weekly Petroleum Status Report* and the article, "Accuracy of Petroleum Supply Data", published in the December 1999*, Petroleum Supply Monthly.*

the month at an average of 8.5 million barrels per day (Figure H2). As demand rises, refineries continue to increase their yields, squeezing more and more gasoline from each barrel of oil.[6] **Production** of finished motor gasoline also set a **record for the month** at an average of 8.3 million barrels per day. Conventional motor gasoline prices, on average, dropped more than a nickel this month to $1.468 a gallon (Figure H3).[7] Finished motor gasoline **imports** were normal for this time of year at 359 thousand barrels per day.

Finished motor gasoline **stocks** were down 7.5 percent compared to last April. This translates to a total of 156.1 million barrels by month's end. Of the finished motor gasoline stocks, other finished accounted for 113.3 million barrels, reformulated for 42.2 million barrels, and oxygenated an additional 0.6 million barrels. As the summer driving season approaches and the stringent Federally mandated Summer Phase 2 RFG program takes effect, concern is focused on the supply of reformulated motor gasoline. In addition to inventory concerns, many have been left wondering about the potential impact of the Federal Court's decision that upheld Unocal's patent for RFG.[8] Uncertainty over the implication of the ruling and statements from Unocal have some refiners, importers, and blenders pondering possible stiff penalties if their product infringes on Unocal's patent.[9]

Figure H3. Retail Prices for Conventional Motor Gasoline, 1997-current

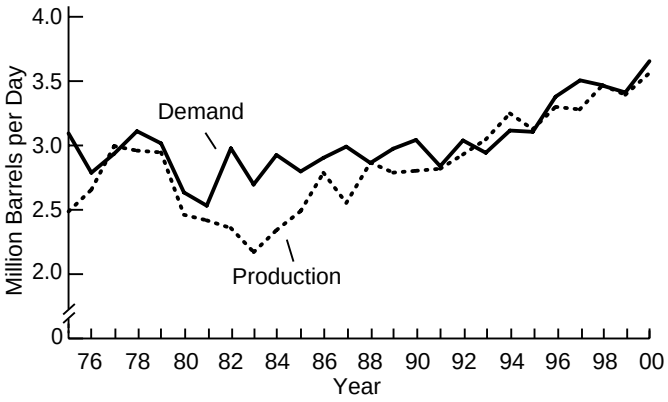


Source: Energy Information Administration, *Weekly Petroleum Status Report,* DOE/EIA-0208 (various issues).

Distillate Fuel Oil

Distillate fuel oil **demand** set a **record high for the month** at an average of 3.7 million barrels per day (Figure H4). Activity in the agricultural sector and railroads both contributed to this gain. Strong agricultural activity this month was reflected in the planting data of the major U.S. field crops as several crops were ahead of the pace set last year and above the normal rate.[10] In addition, intermodal traffic on U.S. railroads set record for this time of year.[11] Distillate fuel oil **production** also set an **April record high** at 3.6 million barrels per day, only 132 thousand barrels per day from the all time record high. **Imports** of distillate fuel oil were healthy for this time of year, averaging 228 thousand barrels per day. Total distillate fuel oil **stocks** ended the month at 96.1 million barrels. Total stocks were down 29.2 million barrels compared to last April's month-end total. Low-sulfur distillates, typically for on-highway use, accounted for 63.9 million barrels. Stocks of high-sulfur distillates, typically for heating and electric power generation, accounted for 32.3 million barrels.

Figure H4. Distillate, Year-to-Date April Comparisons, 1975-2000

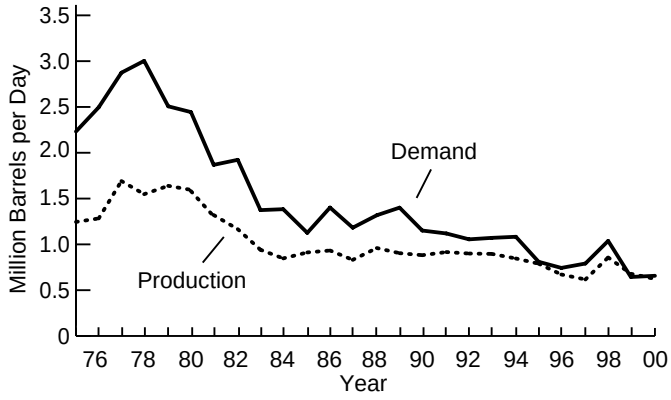


Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Residual Fuel Oil

Demand for residual fuel oil dropped to **one of the lowest averages in the last 30** years at 657 thousand barrels per day, only slightly above last April's average. **Production** was also low at 623 thousand barrels per day (Figure H5). Residual fuel oil **imports** were also lower than normal for the month at 167 thousand barrels per day. **Stocks** ended the month at 35.1 million barrels, the lowest April month-end total since 1996.

Figure H5. Residual, Year-to-Date April Comparisons, 1975-2000



Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

[6]"Marketview - Fill'er Up!", *Petroleum Intelligence Weekly*, April 10, 2000, p. 8.

[7]"Table 16. U.S. Retail Motor Gasoline and On-Highway Diesel Fuel Prices, 1999 to Present", *Weekly Petroleum Status Report*, April 28, 2000, p. 27.

[8]"Gasoline and Diesel Fuel Update", *Energy Information Administration,* May 10, 2000, accessible via the Internet at http://www.eia.doe.gov/oil_gas/petroleum/special/gasoline_up date/market_summary.html.

[9]"Unocal Patent Causes New Complications for Summer RFG Supply", *The Oil Daily*, May 4, 2000, p. 2.

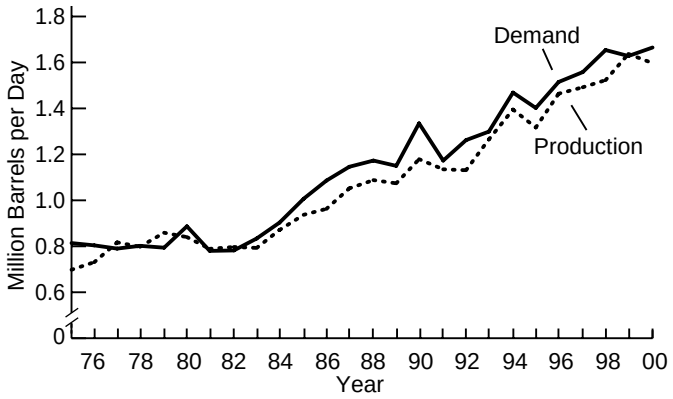
[10]"Weekly Weather and Crop Bulletin", *National Agricultural Statistics Service, Agricultural Statistics Board, U.S. Department of Agriculture*, May 2, 2000, accessible via the Internet at http://usda.mannlib.cornell.edu/reports/nas sr/field/weather/.

[11]"Rail Freight Traffic Mixed in April", *Association of American Railroads*, May 4, 2000, accessible via the Internet at http://www.aar.org/.

Kerosene-Type Jet Fuel

Demand for kerosene-type jet fuel averaged 1.7 million barrels per day, setting a **record high for the month** (Figure H6). Air traffic growth remains strong as the latest data on available seat miles reflects a 2.5 percent increase compared to last April.[12] **Production** of kerosene-type jet fuel was only 40 thousand barrels per day below the record high for the month at an average of 1.6 million barrels per day. Total **imports** of jet fuel, kerosene- and naphtha-type, were normal for this time of year averaging 107 thousand barrels per day. End-of-month **stocks** of kerosene-type jet fuel totaled 42.2 million barrels.

Figure H6. Kerojet, Year-to-Date March Comparisons, 1975-2000

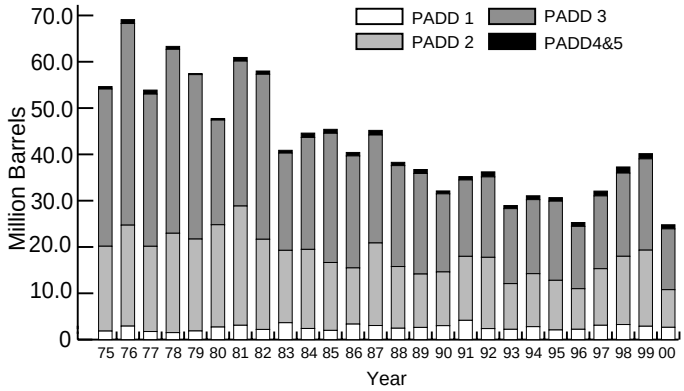


Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Propane

While U.S. inventories moved higher in April, the build was below the 5-year average for the month. Propane inventories ended the month at 24.8 million barrels, the lowest total for the month in more than 27 years (Figure H7). April's modest 2.1 million barrel build still left inventories in each of the major regions below their respective normal seasonal range. Gulf Coast inventories ended the month up 1.6 million barrels at 13.1 million barrels. In the Midwest, inventories grew 643 thousand barrels for a total of 8.1 million barrels by month-end. Along the East Coast, inventories remained relatively stable at 2.7 million barrels, a 193 thousand barrel increase. Compared to this time last year, propane inventories are at a 15.4 million barrels deficit.

Figure H7. Propane Stocks, Year-to-Year April Comparisons, 1975-2000



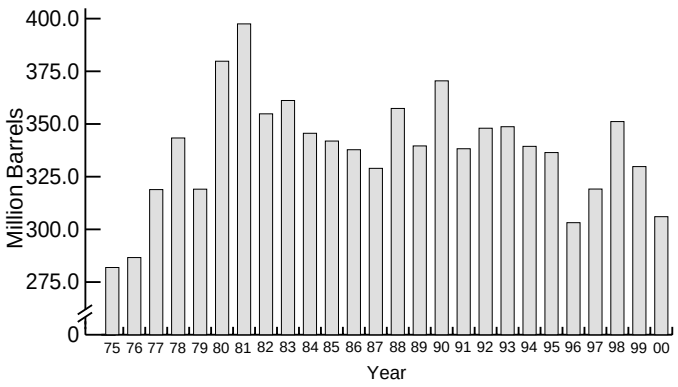
Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Crude Oil

Uninspired by the return of healthier crude oil prices, domestic drilling activity has not responded as it had in the past as companies have redirected their capital to improve their balance sheets.[13] Domestic crude oil **production** remained depressed in April averaging 5.8 million barrels per day. April's average reflects a **2.5 percent decline compared to this time last year** and the lowest for the month in 50 years. Crude oil production in American's last frontier was also disappointing, **down 5.6 percent compared to last April**. Alaskan field production averaged 997 thousand barrels per day, the lowest average for the month since 1977. In additional to the natural field declines, warmer weather, a problem at Endicott, and electrical problems at the Lisburne Production Center all led to lower output in Alaskan this month.[14] **Imports** of crude oil jumped up to an average of 9.2 million barrels per day, a **record high for April**. Net imports (gross imports minus exports) of crude oil also reached a record high for the month at 9.1 million barrels per day. Despite the healthy build, crude oil **stocks**, excluding the SPR, ended the month at their lowest level for April since 1996 at 306.0 million barrels (Figure H8). Total stocks of crude oil, including stocks held in the SPR and non-U.S. stocks held under foreign or commercial storage agreements, ended the month at 875.4 million barrels. Total crude oil inventories ended the month down 26.8 million barrels or 3.0 percent compared to last April.

[12]"Preliminary Scheduled Passenger Traffic Statistics", *Air-Transport Association*, May 15, 2000, accessible via the Internet at http://www.air-transport.org/.
[13]"In US Or Abroad Tight Capital Slows Drilling Clean", *Petroleum Intelligence Weekly*, April 24, 2000, p. 3 & 4.
[14]"FY 2000 ANS Production", *Alaska Department of Revenue*, April 2000, accessible via the Internet at http://www.revenue.state.ak.us/tax/producti on/.

Figure H8. Year-to-Year April Crude Oil Stock Comparisons, 1975-2000



Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Figure H9. Year-to-Date April Comparisons for Crude Oil Inputs, 1975-2000

Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Refinery Operations

April appeared to be a good month for refineries. Most remained healthy and attractive margins provided an incentive for higher crude runs.[15] Refinery **inputs** of crude oil averaged 15.1 million barrels per day, a **record high for the month** (Figure H9). The estimated refinery **operable utilization rate** (gross input divided by operable capacity), averaged 91.9 percent of capacity compared to 94.2 percent last April.

[15]"Most Refineries Healthy As Summer Driving Season Nears", *Oil Price Information Service*, April 10, 2000, p. 14.